FOR MYSORE STATE

Secrt. II-27—95,000 31 10 50.

F and P. H (1948) Department.

Ms SERIES.

G.O. NO. 1426 P. H

Dated 1-5-1948

[Despatch Abstract.]

Accounts: Appropriation Accounts of the Govt of Madras for 1945-46 and the Audit Report, 1947 - Preparation of notes to the Public Accounts committee - Papers Recorded

Extract from the Fin.U.O. Note-Sp.41409.Accts. A-2, dated 15th July, 1947.

Sub:- Appropriation Accounts of the Government of Madras for 1945-6 and the Audit Report, 1947 - Preparation of notes for the Public Accounts Committee.

xx xx xx

A statement indicating the points on which notes have to be prepared for the consideration of the Public Accounts Committee is furnished to departments of the Secretariat.

2. In preparing the notes, departments are requested to observe the following instructions:-

(1) The notes should be arranged in the following order:-
(a) Reference to relevent paregraphs of the Appropriation Accounts and the Audit Report and the subject matter of the note;-
(b) relevent extracts of the Accountant-General's remarks in the Appropriation Accounts and Audit Report and
(c) a brief and self-contained note by the Administrative Department.

(2) The note by the Administration Department should have no annexures or appendixes. If references have to be made in the note to Government Orders or to reports from heads of departments, the substance of the Government Order or the report should be embodied in the note. If this is not possible, the Government Order or report should be quoted in extenso as part of the note itself and not treated as an annexure to the note.

The attention of the departments of the Secretariat is invited to U.O. Note No.38471-Accts.-A-1, dated 27th November 1943, communicating the observation of the Public Accounts Committee that where disciplinary action is taken against officers and subordinates in connection with financial irregularities and losses, information should be furnished to the Committee ~~are full and clear and that nothing is left in any way obscure or ambiguous~~. on the results of the disciplinary action taken.

(3) As the members of the Public Accounts Committee are non-officials some of whom may not be fully conversant with technicalities of accounts, departments of the Secretariat are requested to take great care to ensure that the explanatory notes prepared for the consideration of the Committee are full and clear and that noting is left in any way obscure or ambiguous.

(4) The drafts of all notes for the Committee should be sent to the Finance Department for acceptance. After approval by the Finance Department, Instructions should be issued to the Government Press to keep the type standing so as to facilitate the printing of the proceedings of the Committee later. 10 Printed Copies of the note should be furnished to the finance department.

xx xx xx

4. The Government desire that the consideration of the Appropriation Accounts and the Audit Report by the Public Accounts Committee should be completed as early as possible. Departments of the Secretariat are, therefore, requested to see that complete notes on all the items relating to them are prepared and furnished to this department as early as possible (and not later than 20.8.47) Depts. will appreciate that in order to work to this time-table prompt action will be necessary at every stage and this must be impressed on Chief Controlling Officers and Heads of Departments.

xx xx

6. Secretariats to Government are informed that they should be prepared to give the Public Accounts Committee at its meetings, if required, the reasons for the variations between the final appropriations and the actuals under the several heads of account with which

(.P.T.O.)

they are concerned. c.f. Paragraph 5 above. Notes need not, however, be furnished unless the Committee calls for a note on any specific case of variation between the grant or appropriation and the actuals as shown on pages 20-339 of the Appropriation Accounts and the Audit Report. List of items in the Appropriation Accounts 1945-6 and the Audit Report 47 on which further action is required.

7. "The heads of departments who are concerned with items specially included in the agenda should, as far as practicable, attend the meetings of the Committee at which items relating to their respective departments are to be considered.

S.No. and reference to the A.A. 45.6 and the Audit Report 1947.	Subject matter.	Dept. concerned.
3 page 5, paragraphs 12 (1) see also page 236.	Grant XXX - Stationery and Printing b. Purchase of Stationery purchased in India.	E. & P.H.
34 page 118 paragraph 2 (a)	Grant XVI - Medical- Loss in obtaining supply of rice during 1944-5 to several State hospitals from other sources due to failure of the Contractors to supply rice as per terms of the agreement..	E. & P.H.
36 Page 118 Paragraph 2(b).	Grant XVI - Medical Loss due to holding of re-auction for the supply of milk to a hospital in 1940-41.	E. & P.H.
36 page Regs 125 Paragraph4	Grant XVII - Public Health Unprofitable Outlay in connection with Rural Water Supply Scheme.	E. & P. H.
39 page 239 paragraph 3	Grant XXX - Stationery and Printing . Loss due to theft of paper from a Branch Press in 1943-44.	E. & P.H.

Edn. & P.H. (GI).

** **

At once. T.G.N. 2. Relevant extracts from the u.o. note of Fin. on pp. 3-5 may be given to C2,G2,H1 and F1 sections for further action.

xxxxxxxxxx

/True Copy/

for ASSISTANT CURATOR,
Madras Record Office
5/1953.

SS/2.5.

Education and Public Health Dept.

The Public Accounts Committee has accepted the explanation given by the Department . Please see the report in the top file. The papers may be recorded.

G.O. MS 1426, Public Health, dated 1-5-48.

Subject:

Accounts - Appropriation Accounts of the Government of Madras for 45 to 46 and the audit report 47, Preparation ~~for the~~ of notes for the public accounts Committe - Papers recorded.

Sd..xxxxxxxxx
30-4-48.
Secretary to Government.

/Trye Copy/

SUPERINTENDENT,
Madras Record Office,
6-1953.

(5)

Note for the Public Accounts Committee.

(para 2.(a) on page 11 8 of the appropriation Accounts for 1945-46 and the Audit Report for 1947).

Sub: Grant XVI - Medical - Loss in obtaining supply of rice during 1944-45 to several state hospitals from other sources due to failure of the Contractors to supply rice ~~as~~ as per terms of the agreement.

Account General's remarks.

The contract entered into by a certain firm for the supply during 1944-4 of hand pounded rice to several state hospitals had to be cancelled due to failure on the part of contractors to supply rice as per the terms of the agreement. An aggregate loss of Rs.10,041 was incurred in obtaining the supply of rice from other sources. The Government decided not to recover the amount of loss by recourse to the terms of the Contract in consideration of the fact that the failure to observe the terms of the contract was the result of railway transport difficulties, which were beyond the control of the contractors.

Note by the Education and Public Health Department.

A contract was entered into with a firm for the supply during 44-45 of hand pounded rice (raw and Boiled) to the city state hospitals-The hospital of Indian Medicine Madras and the Tuberculosis Sanatorium, Tambaram. When the rice rationing scheme was extended to the supply of rice to City state hospitals also, the S.G. moved the Government to exempt the hospitals from the purview of this rationing order. The Government, however, did not agree to such exemption but prescribed a certain procedure regarding the supplies to be obtained from the Contractor. In accordance with his procedure, the Contractor obtained a permit from the Grain Purchase Officer, Chidambaram, for the supply of wagons for the transport of rice from Chidambaram to Madras. But the

~~But the~~ Railway authorities refused to supply the wagons. The Contractor represented the matter to the S.G. who addressed the Commissioner of Civil Supplies to ~~wire~~ more the railway authorities to afford immediate transport facilities. The Regional Controller of Railway Priorities however expressed his inability to comply with this request as it involved cross movement. The contractor was informed of this position and asked to state whether he could make arrangements to transport rice by any other means than Railway. He reported that the only suitable alternative method would be by lorry, which was too expensive. Thereupon the S.G. asked for the advice of the Govt. Solicitor expressed the opinion that there was no legal objection to the termination of the contract. In the meantime a letter was received from the contractor stating that he was able to get a wagon allotment and that he would supply all the hospitals with sufficient quantity of rice in a week or ten days. But the S.G. ordered the termination of his contract on the ground that the Commissioner of Civil Supplies definitely stated that no railway facilities would be granted. Regarding the legal position for termination of the contract the Govt. Solicitor.

After the termination of the contract, milled rice was purchased from the Railway Authorities departmentally which resulted in a loss of Rs.10,041/- The question of instituting a suit against the contractor for the recovery of damages due from him was taken up by Govt. But on a detailed examination of the case they observed that the contractor could not supply rice till some time late in June 1944 on account of Railway transport difficulties, which were beyond his contro and that he took all possible efforts to make an early supply of rice. The Govt. therefore finally decided that, on grounds of equity, no suit need be instituted against him for the recovery of the loss and that th entire deposit should be refunded to him. Orders were issued according

/True Copy/

ASSISTANT CURATOR,
.5.1953.

SS/4.5.

JN/15

Note for the Public Accounts Committee.

(Para 2 (b) on p.118 of the appropriation Accounts for 45-46 and Audit Report for 1947.)

(Sub: Grant XVI - Medical - Loss due to holding of reauction for the supply of milk to a hospital in 1940-41.)

• •• •

Accountant General's Remarks.

A contractor executed an agreement for the supply of milk to a hospital in 1940-41. But the supply became irregular from June 1940 and the Contractor stopped supplying from 11.1.1941. Milk, had, therefore to be obtained from other sources by holding a reauction. This resulted in an extra expenditure of Rs.1,202/- to Govt. Under the conditions of the contract, the contractor was liable to make good the extra expenditure. Though a court decree was obtained for the amount, it could not be recovered from him as he had no properties movable or immovable. The recovery of the amount was, therefore waived by Govt.

Note by the Education and Public Health Department.

A contractor executed an agreement for the supply of milk to the K.G. Hospital, Vizagapatam, for the year 1940-41. From June 1940 onwards the supply of milk by the contractor became irregular and inadequate with the result that the hospital authorities had to resort to local purchase at the contractor's risk. This continued upto January 1941. Finally, the contractor stopped the supply from 11.1.1941. The difficulty of obtaining milk locally there necessitated reauction of the contract for the supply of milk for the remaining period of the year. The amount due to the contractor for supplies made and his security deposit were appropriated towards the additional expenditure incurred by the Govt. There was a net loss of Rs.1202.6.7 to Govt. Under the conditions of contract a suit was instituted against the contractor and a decree was obtained for the amount. The decree could not, however, be executed as the contractor had no property movable or immovable. The Revenue authorities who certified the solvency of the contractor at the time of his entering into the contract then reported that the movable properties he had in 1940 viz., at the time of executing the agreement consisted mostly of jewellery which were sold in connection with the discharging of his debts, which he incurred in his work as contractor for 2 years. The Govt. also examined the possibility of recovering the loss from the contractor by attaching his pay as he was reported to have now employed as a clerk in the B.N. Railway, Waltair, after he failed in his business enterprises. This possibility was not, however, pursued, as it was considered very unlikely that the clerk would be earning a salary capable of being attached. The Govt. therefore waived the recovery of the loss.

/True Copy/

ASSISTANT CURATOR,
10.5.1953.

SS/4.5.

"Extract from the APPROPRIATION ACCOUNTS - 1945-1946."

xx xx xx

2. LOSSES - (a) The contract entered into by a certain firm for the supply during 1944-45 of hand-pounded rice to several State hospitals had to be cancelled due to failure on the part of the contractors to supply rice as per the terms of the agreement. An aggregate loss of Rs.10,041 was incurred in obtaining the supply of rice from other sources. The Government decided not to recover the amount of loss by recourse to the terms of the contract in consideration of the fact that the failure to observe the terms of the contract was the result of railway transport difficulties which were beyond the control of the contractors.

(b) A contractor executed an agreement for the supply of milk to a hospital in 1940-41. But the supply became irregular from June 1940 and the contractor stopped supplying from 11th January 1941. Milk had, therefore, to be obtained from other sources by holding a re-auction. This resulted in an extra expenditure of Rs.1,202 to Govern ment. Under the conditions of the contract, the contractor was liable to make good the extra expenditure. Though a Court decree was obtained for the amount, it could not be recovered from him as he had no properties moveable or immoveable. The recovery of the amount was, therefore, waived by Government.

/True Copy/

for ASSISTANT CURATOR,
6.5.1953.
Madras Record Office

JW 4/5

33/4.5.